

20 January 2016

Ms Kate Kidson  
Principal Adviser, Listings Compliance (Melbourne)  
ASX Compliance Pty Limited  
Level 4 North Tower, 525 Collins Street  
Melbourne VIC 3000

By email only: [kate.kidson@asx.com.au](mailto:kate.kidson@asx.com.au)

Dear Kate

### **3D Medical Limited – Response to Price Query**

We refer to your letter dated 18 January 2016.

3D Medical Limited (**3DM** or the **Company**) provides the following responses to the queries in your letter (adopting the paragraph numbering and defined terms used in your letter):

1. The Company does not consider that the information in the Announcement constitutes information that a reasonable person would expect to have a material effect on the price or value of 3DM's securities.
2. The information in the Announcement does not directly relate to 3DM, and instead relates to Mach7 Technologies Inc (**Mach7**), a company with which 3DM is in the process of merging (**Merger**). As the Merger has not completed, and remains subject to a number of closing conditions, Mach7 does not currently form part of the 3DM Group and its existing activities. Accordingly, the Company considers that such information does not constitute information that a reasonable person would necessarily expect to have a material effect on the price of 3DM securities. Notwithstanding this, the Company is committed to providing shareholders with regular updates, and determined that the information should be disclosed to the market at the earliest opportunity after receiving the necessary consent from Mach7 as required under the Heads of Agreement between the Company and Mach7 announced to the market on 26 October 2015.
3. Not applicable. However, the Company confirms that it became aware that the Patent was awarded to Mach7 on 7 January 2016, being the date that Mach7 advised 3DM of this fact.
4. Not applicable. However, the Company confirms that it has not previously made an announcement regarding the Patent prior to the Announcement. As noted above, under the terms of the Heads of Agreement between the Company and Mach7, the Company is required to obtain the consent of Mach7 prior to making any public announcement containing information relating to Mach7 and/or the proposed Merger, unless the

immediate disclosure of such information is required by law or the ASX Listing Rules. As stated above, the Company considered that the Announcement did not contain information that a reasonable person would expect to have a material effect on the price or value of 3DM's securities, and which would require immediate disclosure under ASX Listing Rule 3.1. Accordingly, the Company sought the required consent of Mach7 prior to making the Announcement, as required under the Heads of Agreement. The Company made the Announcement at the earliest available opportunity upon receiving Mach7's consent on 13 January 2016.

5. We confirm that the Company is in compliance with the ASX Listing Rules, and in particular Listing Rule 3.1.

Please contact me if you require any further information concerning this matter.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Alyn Tai', with a stylized flourish at the end.

Alyn Tai  
**Company Secretary**  
3D Medical Limited



18 January 2016

Alyn Tai  
Company Secretary  
3D Medical Limited

By email

Dear Ms Tai

**3D Medical Limited (the “Entity”): ASX aware query**

ASX Limited (“ASX”) refers to the following:

1. The Entity’s announcement entitled “Mach7 awarded US Patent for mobile device image capture” lodged with ASX Market Announcements Platform and released at 1:02 pm on 13 January 2016 (the “Announcement”), disclosing the award of a patent in the United States (Patent No. 9,223,932 B1 Handheld Medical Imaging Mobile Modality) (“Patent”) to Mach7 Technologies Inc. with whom the Company are in the process of merging.
2. The Entity’s announcement entitled “Appendix 3Y Change of Director’s Interest Notice” lodged with ASX Market Announcements Platform and released at 8:25 am on 4 January 2016 (the “Appendix 3Y”), disclosing the on market purchase of 130,000 ordinary shares by Dr Nigel Finch, the Chairman and a non-executive director of the Entity on 31 December 2015.
3. The Patent granted to Mach 7 Technologies Inc. referred to in the Announcement is dated 29 December 2015 as published by Justia Patents.
4. It appears the relevant transaction in securities the subject of the Appendix 3Y for Nigel French occurred after the Patent was granted and before the Announcement was released. The Company should address the sequence of events in its response to this query.
5. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
6. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

*“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”*

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.



7. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.”*

5. ASX’s policy position on the concept of “confidentiality” which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “Listing Rule 3.1A.2 – the requirement for information to be confidential”. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Entity first become aware of the information.
4. If the answer to question 1 is “yes” and the Entity first became aware of the information before the relevant date, did the Entity make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released



to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.

5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEDT on Wednesday, 20 January 2016. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [kate.kidson@asx.com.au](mailto:kate.kidson@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.



If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Kate Kidson  
**Principal Adviser, Listings (Melbourne)**